

MINUTES
Ferndale City Council Meeting
Held Monday, November 1, 2010
City Hall Annex – Council Chambers
6:00 p.m.

PRESENT BY ROLL CALL:

Councilmember Steve Malpezzi	Councilmember Mel Hansen
Councilmember Connie Faria	Councilmember Paul Ingram
Councilmember Jon Mutchler	Councilmember Lloyd Zimmerman
Councilmember Brent Goodrich	

STAFF:

City Administrator Greg Young	Deputy City Clerk Sylvia Stiles
Finance Director Mark Peterson	Public Works Director Janice Marlega
Comm. Development Director Jori Burnett	Chief of Police Mike Knapp
Storm Water Manager Wendy LaRocque	

5:00 p.m. STUDY SESSION 2011 PRELIMINARY BUDGET

Finance Director Peterson highlighted items in the draft balanced budget noting the budget was able to be balance due to a police officer retiring early in January 2011. This will allow the City to balance the budget without having personnel layoffs. The key points and assumptions are: A police officer on loan to another agency will be returning that will be offset by the retiring officer. There would be no impact for 2011 of various initiatives including liquor. The Street Fund would remain solvent, with the Solid Waste Tax Fund subsidizing the Street Fund. The sidewalk and road maintenance programs are suspended. No vehicle purchases except grant-funded.

The estimated surplus for the General Fund is \$143.00. Councilmember Faria proposed reducing the funding for Center for Economic Vitality. After discussion it was the consensus of the council to reduce funding for economic development to \$5,000.00 but research the best group(s) to receive this funding. Director Peterson then distributed the Draft Budget Ordinance. The bulk of the difference between the beginning fund balance and ending fund balance was attributed to construction funds.

It was moved by Councilmember Mutchler and seconded by Councilmember Faria that \$5,000.00 be budgeted for a generic Economic Development without being committed to where it will go. Motion passed six to one with Councilmember Zimmerman voting no.

Director Peterson explained that annexed property needed to be submitted to the County by August 1st of each year in order to collect property tax during the following year.

Councilmember Faria wondered if there were any street projects that could be put off for another year. Director Peterson replied the street projects were all required. Director Peterson then advised the council of several line items in the proposed budget.

Mayor Gary Jensen presiding.

6:00 p.m. CALL TO ORDER

6:02 p.m. PUBLIC COMMENT

No Comment

6:02 p.m. CONSENT AGENDA

The following consent agenda was moved for approval by Councilmember Ingram and seconded by Councilmember Goodrich:

- *Approval of Minutes of Council Meeting of October 4, 2010; Minutes of October 18*
- *Approval of Payroll of October 20, 2010: Automatic Payroll Deposit Amount: \$112,470.01; Automatic Dept of Retirement Deposit Amount: \$25,092.56; Automatic Guild Dues & Federal Tax Deposit Amount: \$42,149.16; Check # 52081 through #52094 in the amount of \$44,251.24 Total Payroll: \$ 223,962.97*

- Approval of Payroll of October 13: Automatic Payroll Deposit Amount: \$0.00; Automatic Guild Dues & Dept of Retirement Deposit Amount: \$0.00; Automatic Federal Tax Deposit Amount: \$0.00; . Check # 52080 through #52080 in the amount of \$131.50 **Total Payroll: \$ 131.50**; 3rd Qtr. L&I
- Approval of Claims Run of November 1,,2010 –Manual Checks, ACH, EFT's, Etc . \$ 60,018.32; Check# 71062-1081,6464363,9302010; Check # 71082-71166: \$ 199,514.03; **Grand Total: \$259,532.35**
- 2010 Monthly Budget Amendment Ordinance (see F&A minutes)

Motion passed unanimously.

6:03 p.m. PUBLIC HEARING: 2011 PROPERTY TAX ORDINANCE 1611

Councilmember Faria suggested, after sitting through a work session and realizing how tight the 2011 budget is, a .5% increase in property taxes. This would consist of approximately \$2.00 per household increase. She felt this would not impact the citizens too much and would have a positive effect on the City's Budget. Councilmember Malpezzi argued the way to fix the budget was not to increase property tax but to stop spending money. Councilmember Hansen countered the council has chosen to do capital projects.

It was moved by Councilmember Mutchler and seconded by Councilmember Malpezzi to go with staff recommendation of a zero percent increase in property taxes for 2011.

6:11 p.m. Public Hearing Opened:

No Comment

6:11 p.m. Public Hearing Closed:

Mayor Jensen stated his appreciation for Councilmember Malpezzi's comments. Council did make some very brave decisions to go forward with capital projects in this economy. The City is not going bankrupt, the economy is in a stressful situation. Other Mayors in Whatcom County have commented the City of Ferndale is not doing too bad. The fact there are no layoffs is significant. The fact that a balanced could be presented without a property tax increase is very significant. He acknowledged things are tough but he disagreed there is a large amount of waste in the budget. Staff had worked hard on the budget and he felt it was a fairly successful budget.

Councilmember Faria felt reserves should be built not funds being pulled from them. She noted it would be better to increase taxes little by little rather than a lot at one time. The .5% would increase the budget by \$10,000.00.

Councilmember Zimmerman proposed if \$10,000.00 could be found in budget cuts property taxes could be cut by .5%.

Councilmember Mutchler debated revenue is being increased in other ways and felt property taxes should not be raised.

Councilmember Hansen commented with a positive bottom line he will support the motion.

Motion passed six to one with Councilmember Faria voting no.

6:18 p.m. PUBLIC HEARING: 2011 PRELIMINARY BUDGET, Mayor's Message, City Admin. Message

6:18 p.m. Public Hearing Opened:

No Comment

6:18 p.m. Public Hearing Closed:

Councilmember Zimmerman pointed out there are a number of small groups that are being left out of the budget. He asked staff to sharpen their pencils and find funding for these groups.

Councilmember Goodrich responded he had heard it stated several times mostly by Councilmember Zimmerman to have the staff find places to cut the budget but he had yet to hear any suggestions from him. He felt the staff had done an excellent job in getting the budget to this point.

Councilmember Zimmerman countered he tried not to interfere with staff's work. He felt there was a possibility for cuts in planning and sited other cities. He also felt take home cars for the police was a way to reduce spending. Mayor Jensen noted Police Guild bargaining would not allow this policy to change at this time.

Councilmember Faria expressed her frustration with Councilmember Zimmerman in one breath to hear him say cut spending and then in the next breath to hear his desire to give small groups funding.

Mayor Jensen emphasized the problem is with 18% sales tax capture, Lynden is above 60% and Bellingham is at 170% and Burlington is 680%.

Several questions were asked of Finance Director Peterson regarding specific line items of the proposed budget. He explained if the economy continues to be poor there will need to be further cuts in the budget. The only way to do this is to cut spending.

Councilmember Zimmerman added to put things in perspective when one full time equivalent drops off that is the equivalent of \$60,000.00. He felt the service agencies do a lot of public safety good. His desire was to maintain this safety net for these agencies.

Councilmember Goodrich addressed Councilmember Zimmerman by questioning him about a vague comment that makes it sound like he suggested staff eliminate a position in particular in the Planning Department. He asked if Councilperson Zimmerman suggest the City is overstaffed and should get rid of a person to save \$60,000.00 to give to other people. Councilperson Zimmerman stated he did not know if he would put it that strongly but it might be interpreted that way. He was not sure if the cuts that were done go far enough in these times.

The Council and the public was asked to look at the Preliminary Budget study it and if there are questions either ask them of the Finance Director or bring them discussion at the next public hearing on November 15th.

Director Peterson then distributed a detail expenditure report which would also be put on the City Website.

6:35 p.m. GRANDVIEW ANNEXATION ORDINANCE

Director Burnett indicated this will not be brought forward at this time. The Boundary Review Board has had the 45 day mandatory review process. Up to this point the BRB has not been invoked in the last three or four years. On the last day of the 45 day period Whatcom County did invoke it. There is not always direct dialogue with some of the Whatcom County Departments. Whatcom County Public Works Department raised some questions as to if and when a development occurred in the Grandview area they wanted to be sure they would have the ability to study different intersections. Staff felt this was something that would already be looked at through the SEPA Process the County of any other individual would be able to make comments and request mitigations and go from there. Staff may need to go in front of the Boundary Review Board. If there is a long delay the property owners will be notified.

6:40 p.m. WASHINGTON/VISTA INTERCHANGE TRAFFIC CONTROL OPTIONS:

Bob Herman from Herman Traffic Engineering presented the same visual traffic analysis for the Washington and Vista interchange shown to the full council that was presented to the Public Works and Utility Committee (see minutes below). This was done because the six year TIP was being updated and there were concerns with the operation of this intersection with Second Avenue opening. This work will be added to the information done by TRANSPO. The street peak traffic was about 25% higher than the school peek so there were the hours used in the simulation which was shown. Mr. Herman showed the existing situation with a level of service "E". Then what it would look like in 2034 using a growth rate of 1.4% per year compounded annually. Mr. Herman noted the intersections with line of sight issues. He advised the expectation the intersection would go to level of service "F" in the next three years.

The simulation then showed what the intersection would look like with traffic signals or a round-about. The counts were done in September of 2010. The growth at this intersection is about 11% over the past two years. With either a traffic signal or a round-about the intersection would be at a level of service "B". The Council had several questions regarding cost of these improvements and "what if" scenarios. From a traffic engineering standpoint the best solution would be to create a four legged, completely offset, inline intersection with either signals or a round-about. Mr. Herman determined a round-about would be more costly than signals but the real appeal is the safety benefits. Placement of stop signs on Vista and removal of the stop signs on Washington Street would impact the traffic on Main Street. Mr. Herman would not recommend this action.

The City needs to determine what the desired of level of service will be.

The recommendation for now is to do nothing and monitor the situation.

The Council commended Mr. Herman on a great presentation.

There was a short break to turn video equipment off.

7:29 p.m. LIBRARY FUNDING DISCUSSION

Councilmember Zimmerman proposed the City move \$2 million into the Library Construction Fund from the Police Station funding.

It was moved by Councilmember Zimmerman and seconded by Councilmember Malpezzi to transfer \$2 million from the Police Station building account to the Library building account to maximize the generous offer of a match of funds.

Discussion: Councilmember Mutchler asked what this would do to the police station construction. Councilmember Zimmerman suggested flipping the two projects on the time schedule. Concerns were expressed by Councilmember Goodrich regarding the match. He asked if we know for a fact that \$2 million would be matched. Mayor Jensen replied they have asked if there is a ceiling to the match and the answer had been no.

Councilmember Ingram contended \$2 million would be unnecessary as the most needed would be \$1 million.

Finance Director Peters handed out a work sheet showing 2010/2011 G.O. Bonds distribution. He noted Griffintown Park and Pioneer Pavilion were nearly complete. This left the Library at \$1 million and the Police Station at \$5 million. He had also allocated an additional \$1 for cost overruns. As the Treasurer he declared he was not comfortable going over \$8 million that would stress the REET 1 and Solid Waste Tax Funds. He did not feel the City would have the ability to service the debt beyond \$8 million. The citizens have stated that even if the City is comfortable servicing an \$8 million debt should the City take on this debt.

Councilmember Hansen cautioned the police had waited long enough. For anyone to suggest this should be delayed further is ridiculous. He understood the donor match but did not want it to delay the construction of the Police Station. He questioned if the council was willing to go to \$7.5 million in bonds or \$8 million in bonds in order to have some dollars matched for the library. If that were done up to \$1 would be taken of the table for other kinds of projects that were not funded. He cited Church Road is not funded. That would require some matching funds from somewhere. There are no grant funds to match at this point. The council needed to roll back to the priorities. Each time the Council has done priorities the Police Facility has been on top.

Councilmember Faria agreed the match is a fantastic opportunity and the debt service is already set for \$8 million but it left no extra money for police and having to stay at \$5 million for the police station without cost overruns. If a million were donated that might not be enough to complete the library. She preferred holding off until the next meeting to vote on this item. She suggested contacting the foundation to obtain a firmer number of the needed funds for the library.

It was moved by Councilmember Ingram and seconded by Councilmember Hansen to table the discussion until the November 15th meeting.

Motion failed four to three with Councilmembers Mutchler, Zimmerman, Goodrich and Malpezzi voting no.

Councilmember Mutchler wanted to acknowledge to the donor the Council takes this opportunity very seriously. He felt it was a timing issue. He agreed with Councilmember Ingram there is limited benefit to the City. The City currently has a library but not a functioning Police Station. He was not willing to do anything to jeopardize the forward progress on the Police Station.

Councilmember Goodrich could not support the idea after reviewing financing. He confirmed the Police Station was the priority.

Mayor Jensen reminded the council the donor would accept a pledge. The donor needs to give his match in 2010.

Councilmember Mutchler summarized the Council is open to the idea of additional funding for the library if it did not financially put the City under water or slowdown the Police Station construction.

The question was called for by Councilmember Faria and seconded by Councilmember Hansen.

Motion failed six to one with Councilmember Zimmerman voting yes.

It was moved by Councilmember Malpezzi and seconded by Councilmember Ingram to donate up to \$1 million and direct staff to present numbers and timelines to address Councilmember Mutchler's concern about timing to present to the Finance and Administration Committee on November 10th.

Director Peterson clarified this amount would be in addition to the \$1 million already allocated for the Library.

Councilmember Faria stated she was not comfortable donating anything without additional information and discussion at the committee.

***It was moved by Councilmember Malpezzi and seconded by Councilmember Zimmerman to table the discussion until the next regular meeting.
Motion passed unanimously.***

8:09 p.m. BREAK

8:10 p.m. STORM FUND FEE REVISION ORDINANCE

Director Peterson explained the proposal was to go from \$5 to \$8 in January 1, 2011 per month then to \$10 a month January 1 2012. An earlier version was for substantially more. The two regional ponds have been taken out. This will get the City to the amount required to pay the debt service.

Councilmember Mutchler questioned if the fee increase was for all customers and what if there was no rate increase. Director Peterson confirmed it would be for all classes. Director Marlega responded without the rate increase there would not be enough funding to support the mandated storm water program. The \$10 in 2012 will complete the Main Street Convenience.

It was moved by Councilmember Ingram and seconded by Councilmember Mutchler to accept the Storm Fund Fee Revision as presented.

Councilmember Hansen wanted to confirm this fund was not being used as a "Cash Cow". Administrator Young stipulated these figures were derived by the time sheets.

Councilmember Goodrich felt this was something that needed to be done. Councilmember Faria echoed these improvements were benefits to the citizens.

The Council briefly discussed the salaries and projects funded by the Water Fund.

Motion passed five to two with Councilmember Malpezzi and Zimmerman voting no.

8:34 p.m. MAYOR REPORTS/COMMENTS

Mayor Jensen updated the council on management and operations of the Senior Center.

Thursday, November 4th is a CCA meeting.

Wednesday, November 10th there will be a Mayor for the Day conducting Committee Meetings.

8:38 p.m. COUNCIL REPORTS/COMMENTS

Councilmember Malpezzi wished everyone a happy Veterans Day.

Councilmember Zimmerman is working with Ray Hong.

Councilmember Mutchler commended the Chamber of Commerce for the Halloween Fiesta. He also noted the Chief of Police will be meeting with local pastors discussing public safety. In addition he expressed frustration in not being able to go straight into the parking lot of Council Chambers.

Councilmember Ingram noted a good time was had at the Boys and Girls Club Breakfast.

8:41 p.m. DEPARTMENT REPORTS

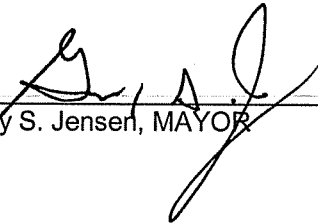
Community Development Director Burnett reminded council of the November 10th Planning Commission will have a presentation by TRANSPO

8:42 p.m. Break for Executive Session

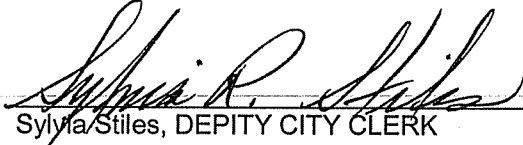
8:49 p.m. ADJOURNMENT

There being no further scheduled City business, the meeting was adjourned at 8:49 p.m.

ATTEST:



Gary S. Jensen, MAYOR



Sylvia Stiles, DEPUTY CITY CLERK

ATTACHMENT A:

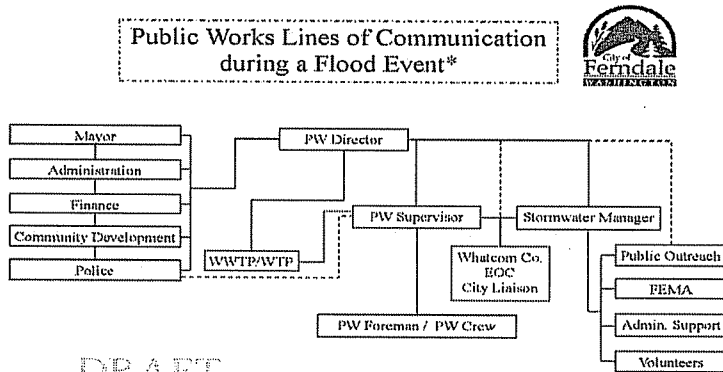
MINUTES
Public Works and Utilities Committee Meeting
Held Wednesday, October 27, 2010
City Hall Conference Room
7:30 a.m.

COMMITTEE: Councilmember Mel Hansen – Chair
Councilmember Lloyd Zimmerman
Councilmember Jon Mutchler (for Brent Goodrich)

ADMINISTRATION: Mayor Gary Jensen City Administrator Greg Young
City Clerk Linda Knutson (via phone) Public Wks Director Janice Marlega
Project Manager Katy Radder Finance Director Mark Peterson
Community Dev. Director Jori Burnett Deputy City Clerk Sylvia Stiles
Storm Water Mgr Wendy LaRocque Public Wks Supervisor Bo Westford

LEVEE REPAIR

Storm Water Manager Wendy LaRocque and Public Works Supervisor present a series of slides showing the Public Works Line of Communication during a flood event (see chart below).



DRAFT

* To be activated during a "State of Emergency"

Also included were the staff

assignments during a flood event. 2010-2011 prediction is for below normal sea-surface temperatures in the Central and Eastern Pacific equatorial waters. This means, on average, lower temperatures, more rain, and an increased snowpack. According to NOAA these conditions are anticipated to increase to moderate (perhaps strong) and continue through this winter season. Several slides were shown of the repairs that have been completed to the levee and how it looked after completion of the repairs. Manage LaRocque explained 20% of the repairs were paid by the City. The next steps are planting 400 trees in VanderYacht Park in the spring of 2011 and tree removal/maintenance south of the intake. Staff is currently working on permits for the tree removal and work is scheduled for completion in the summer of 2011. Public Works Supervisor Westford noted several hot spots from the 2009 were Bass Street, railroad trestle, Ferndale Road jersey barriers, Ferndale Road chimneys, Main Street near McDonalds, Main Street and Railroad Trestle storm pumps, and Main Street Pump Station # 2. Supervisor Westford relayed the difficulty in predicting how much flooding would happen and for how long. Ground saturation is a large unpredictable factor in this equation. Public Works currently has 650 sand bags ready to go. They were holding a mock flood event on October 28th to test their readiness.

Councilmember Zimmerman suggested sending flyers to residents. Supervisor Westford reported they would be using a call list generated by the 2009 flood to inform residents and businesses with potential flooding. He further explained that during the 2009 flood some residents did not respond to warnings until water was on their doorsteps. Councilmember Hansen cautioned there had been no recent dredging of the river. It was additionally noted that FEMA will not reimburse for a snow event.

STORMWATER FEES

Finance Director Peterson emphasized the need to increase the residential storm water fee from the current \$5.00 per month to \$8.00 per month in 2011 and \$10.00 per month in 2012. This increase is needed to fund expenditures outlined in DOE grants, the Comp Plan Update, Second Avenue and Main Street Third to Church Capital Expenditures. Staff is currently seeking a grant for \$850,000.00 for Church Road. Director Peterson urged the rates be in place when the city goes to the bond market for additional funding for the regional ponds.

Councilmember Hansen stressed he would like more creativity in out years perhaps by the use of a percent of increase.

Councilmember Hansen asked if street fund money from traffic mitigation could be used to cover needed storm repairs. Director Peterson felt the answer was yes.

It was moved by Councilmember Hansen and seconded by Councilmember Zimmerman to move this item to the full council for discussion. Motion passed unanimously.

WASHINGTON/VISTA INTERCHANGE TRAFFIC CONTROL OPTIONS

Bob Herman from Herman Traffic Engineering, a sub-consultant for Reichardt and Ebe, showed a traffic modeling presentation to the committee. Mr. Herman explained the Washington Vista interchange is known as a split T intersection. The first step is to identify a problem area by taking traffic counts along Second Avenue on Vista and on Washington Street. This was done by both manual counts and by two road tub counts. The counts were taken in September after school started and prior to the beginning of roadwork on Main Street. The current level of service in the Washington/Vista area is "E" with 400 vehicles per hour during peak times. The traffic model showed some queuing over into the left lane for right turns from Washington to Vista. He noted this could be solved by removing street parking and allowing the queue to extend further down Washington.

Councilmember Zimmerman asked if placing a stop sign on Vista would increase traffic flow. Mr. Herman explained this would not be a good solution. Vista had 450 vehicles per hour and a stop sign would increase the delay on Vista. Mr. Herman stated one solution would be a four way stop to alternate the traffic. He then showed a simulation of what that would look like and how it would work. He did not recommend a four way stop at this time.

Mr. Herman recommended monitoring the situation for the short term.

He then showed a model of what the traffic would be like in twenty years. Their recommendation in the long term would be to add signalization to this intersection, build a single lane or two lane round-about at this intersection. He then showed the council what each of these would look like. The level of service for any of these options would be "B". A two lane round-about would require obtaining more right-of-way from the adjacent property owner. The cost would be \$3-\$4 million.

It was decided the committee would update the balance of the council and the public at the upcoming council meeting.

ATTACHMENT B:

**MINUTES
Planning and Land Use Committee Meeting
Held Wednesday, October 27, 2010**

City Hall Conference Room
9 a.m.

COMMITTEE: Councilmember Connie Faria – Chair
Councilmember Paul Ingram
Councilmember Jon Mutchler (for Brent Goodrich)

ADMINISTRATION: Mayor Gary Jensen City Administrator Greg Young
City Clerk Linda Knutson (via telephone) Public Wks Director Janice Marlega
Community Dev. Director Jori Burnett Deputy City Clerk Sylvia Stiles

GRANDVIEW ANNEXATION ORDINANCE

Community Development Director Jori Burnett reviewed that the ordinance, formally annexing the Grandview Annexation into the City of Ferndale with a zoning designation of Regional Retail has been recommended for approval by both staff and the Planning Commission.

Burnett stated that in August 2010, the Ferndale City Council voted to annex approximately 144 acres into the City of Ferndale. Following this approval, City staff transmitted a notice of the annexation to the Boundary Review Board and a mandatory forty-five day review period was initiated on September 7, 2010. The forty-five day review lapsed on October 25, which will allow the City to adopt a final annexation ordinance on November 1, 2010 – pending confirmation from BRB staff.

The annexation ordinance is in many ways a formality, as the Council had previously voted to annex the area contingent upon the conclusion of the BRB review. BRB staff was on vacation until October 26, and could not provide City staff with confirmation that the BRB period had lapsed without challenge.

Staff requests that the Council consider an appropriate effective date for the annexation. Staff has proposed November 15, 2010. The Council may wish to delay the effective date until January 1, 2011 for the purpose of simplifying tax calculations. Staff has a request in to Whatcom County to establish a date that tax revenues would be received by the City. Burnett stated that he will update the Council at the Meeting of November 1st with the results of meetings with the Boundary Review Board and the County.

It was moved by Councilmember Ingram and seconded by Councilmember Mutchler to forward this Annexation to the full Council for consideration, with an effective date of March 31, 2011. Motion passed unanimously.

WEST SLATER ANNEXATION UPDATE

Staff had pulled this item from the last council meeting due to ongoing meetings with property owners in the annexation area, as well as Fire District No. 8 officials. At issue is how the Fire District will be "made whole" financially by the removal of these properties from its service area.

Community Development Director Burnett will be drafting a letter to the affected parties that will outline some proposed solutions.

FLOOD CONTROL ORDINANCE

Community Development Director noted that this item would not be up for Council consideration until 2011, but wanted to keep them update on its progress.

In 2009, the National Marine Fisheries Service (NMFS) submitted a Biological Opinion to the Federal Emergency Management Agency (FEMA) and the Department of Ecology. The biological opinion determined that existing floodplain requirements had been developed to protect new and existing construction, but were not sufficient to protect endangered species. As a result of the biological opinion, FEMA worked with several state and local agencies to develop a "Model Ordinance" which responds to concerns identified by NMFS. Essentially, the model ordinance seeks to identify those areas of the designated 100-year floodplain which have a significant influence on the habitat of endangered species, particularly salmon, and restrict development within those areas. There are three specific areas identified in the model ordinance: a Channel Migration Zone, a Riparian Habitat Zone, and the Floodway itself.

Within the City of Ferndale, development within the designated FEMA floodway is already restricted to low intensity uses. The Model Ordinance appears to have been designed based upon the majority of floodplain along the various rivers and streams – rural, undeveloped floodplain. The Model

Ordinance is designed to prevent development within the most sensitive areas of the floodplain, and to reduce development in the remainder of the floodplain. In an urban environment such as Ferndale's, the strict application of the ordinance is somewhat troublesome. It is not reasonable to expect the City to downzone the downtown from fifteen units per acre to one unit per five acres, as is suggested by the Model Ordinance. Instead, staff has sought to identify the area covered by the Riparian Habitat Zone and Floodway, and to enforce development restrictions in those areas. Staff also proposes adopting the majority of Model Ordinance language as a means of updating the existing Floodplain Management regulations. Staff does not propose amendments which would limit development in the downtown core, however. The practical effect of these changes may vary. As noted, development in the downtown core will likely be unaffected, if the proposal is approved by FEMA. Downtown is protected (both literally and figuratively) by existing dikes and armoring. In other areas, including areas east of the Nooksack River, there may be properties which will be required to conduct a Habitat Impact Assessment, and if necessary identify mitigation measures to prevent significant negative impacts on habitat as the result of development.

OTHER

Director Burnett stated that permit activity remains steady and that the new practices are being put into effect and are working well.

Burnett reminded the assembled that the public meeting on the police facility remodel will be held on Thursday, October 28th, at the Ferndale Library from 6 to 8 p.m.

ATTACHMENT C:

**MINUTES
Police / Library Ad Hoc Committee Meeting
Held Wednesday, October 27, 2010
City Hall Conference Room
10 a.m.**

COMMITTEE: Councilmember Paul Ingram – Chair
Councilmember Connie Faria
Councilmember Jon Mutchler (for Brent Goodrich)

ADMIN: Mayor Gary Jensen City Administrator Greg Young
City Clerk Linda Knutson (via telephone) Chief of Police Michael Knapp
Deputy City Clerk Sylvia Stiles

UPDATE ON BUILDING PLANS AND BIDDING FOR NEW POLICE STATION

Chief Michael Knapp updated the Committee that the electrical and HVAC systems for the Police facility remodel have been reviewed and approved to meet departmental needs.

Chief Knapp related his understanding of Council direction regarding the bidding documents was that a facility would be designed to stay within a budget of between \$4.5 and \$5 million. With that in mind, the department and architect set out to "scrub" design to include only essential functional and safety requirements. Items deemed essential include secure evidence storage, blood room, record storage, secure armory, holding areas, sally port, separated prisoner restrooms, inclusion of probation and probation storage facilities, secure reception and clerical areas, etc. These essential details encompass 18,000 square feet, and are anticipated to fulfill departmental needs out to the year 2020.

Councilmember Hansen stated that he was in favor of an 18,000 s.f. facility, with the inclusion of alternates should bids come in too high. He added that there may be no reason to get too concerned about lowering the square footage should the bids come in favorably.

Councilmember Zimmerman felt that space was being dedicated to what he called "non-essentials".

Councilmember Ingram state that he wanted the building done right the first time, with room for growth.

Councilmember Zimmerman, noting that he neighbors the building, stated that he was afraid that hard core criminals, sex offenders, and probationers would be released into his neighborhood and increase crime. Chief Knapp responded that statistics show that crime is reduced in the areas adjacent to police facilities. He added that the Probation Officer does not process sex offenders, nor do the police "release" anyone into the neighborhood; they are either picked up by responsible parties or driven to their next location.

LIBRARY UPDATE – FUNDRAISING

Joan Airoidi updated on the latest fundraising efforts for the new library, which included matching funds from the Whatcom Community Foundation. She also stated that library staff is working to coordinate the move to the temporary facility (Pioneer Pavilion).

PIONNER PAVILION REMODEL UPDATE

City Administrator Greg Young reviewed that the renovations to Pioneer Pavilion are running a couple of days behind schedule, but are progressing well.

SENIOR CENTER NEWS

Mayor Jensen stated that Senior Center Director Jerry Warren has been transferred to another position within Whatcom County Parks, and that the City has been approached concerning possibly taking over the Center. He will keep the Council updated on this development.

ATTACHMENT D:

**MINUTES
Finance and Administration Committee Meeting
Held Wednesday, October 27, 2010
City Hall Conference Room
10:30 a.m.**

COMMITTEE: Councilmember Connie Faria – Chair
Councilmember Paul Ingram
Councilmember Lloyd Zimmerman (for Steve Malpezzi)

ADMIN: Mayor Gary Jensen City Administrator Greg Young
City Clerk Linda Knutson (via telephone) Finance Director Mark Peterson Deputy
City Clerk Sylvia Stiles

2010 BUDGET AMENDMENT ORDINANCE

Finance Director reviewed the latest adjustments to the 2010 budget via the Budget Amendment process. Included were adjustments to the LaBounty Fund to account to early payoffs, as well as transfers to cover the public works shop-library reconfiguration project phase costs.

It was moved by Councilmember Faria and seconded by Councilmember Ingram to approve this item via the consent agenda. Motion passed unanimously.

REVIEW OF PRELIMINARY BUDGET

Finance Director Mark Peterson reviewed the 2011 preliminary budget that will go before Council their next meeting, which is also the first of two public hearings on the budget. He noted that this budget is balanced, with a projected surplus of \$143,000.

City Administrator Young and Mayor Jensen both added that no staff cuts were made or anticipated, due to the retirement of a veteran police officer.

Committee members had several questions regarding specific line items, including a \$7,000 contribution to the Bellingham/Whatcom Center for Economic Vitality. Staff responded that that and other items (such as senior center and food bank contributions) had been included in the budget, but it was up to Council whether or not to keep them in the budget, or to modify them.

Peterson also noted that the street fund is sorely underfunded in 2011. Councilmembers indicated that may be interested is re-visiting the car tab tax, but at something less than the \$20 earlier discussed and dismissed.

The Council as a whole will go through the preliminary budget in detail at a work session prior to the November 1st meeting.

REVIEW OF PROPERTY TAX ORDINANCE

Finance Director Peterson stated that he has prepared an ordinance reflecting a zero-percent increase in property taxes for 2011, based on Council input in previous meetings. This item is also set for a public hearing at the November 1st Council meeting.

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